

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING
BY CHESAPEAKE UTILITIES CORPORATION
FOR AN EXTENSION OF THE RATE SCHEDULE) PSC DOCKET NO. 15-0950
"TSFF" CALLED TOWN OF SMYRNA)
FRANCHISE FEE RIDER)
(FILED APRIL 17, 2015))

ORDER NO. 8745

AND NOW , this 2nd day of June, 2015, the Public Service Commission (the "Commission") determines and orders the following:

WHEREAS , on April 17, 2015, Chesapeake Utilities Corporation ("Chesapeake") filed with the Commission an application seeking approval to continue to charge all of its respective natural gas customers within the Town of Smyrna the franchise fee paid by it to the Town of Smyrna pursuant to an existing franchise agreement. The proposed continuing surcharge is pursuant to a rate schedule called "Town of Smyrna Franchise Fee Rider" or "TSFF Surcharge ." Chesapeake's proposed revised tariff leafs are attached as **Exhibit "A"**; and

WHEREAS , the proposed TSFF Surcharge of \$0.0181 per Ccf of delivered gas is meant to mirror the volumetric franchise fee imposed upon Chesapeake by the Town of Smyrna; and

WHEREAS , Chesapeake requested that the Commission consider the proposed continuing TSFF Surcharge and tariff changes such that they could be effective no later than June 3, 2015; and

WHEREAS, pursuant to Order No. 8733 (May 5, 2015), the Commission directed Chesapeake to publish notices in the Delaware State News and The News Journal regarding the proposed continuing TSFF Surcharge and tariff revisions and directed that such notices announce that the Commission would afford interested persons the opportunity to file, on or before May 20, 2015, objections or written comments to the proposed continuing TSFF Surcharge and tariff changes; and

WHEREAS, no person or entity filed any objections or written comments in this docket and

WHEREAS, Order No. 8733 also stated that if no meritorious objections or written comments raising significant issues were received, the Commission may approve the proposed continuing TSFF Surcharge and tariff changes without further notice or proceedings (Order, 3); and

WHEREAS, the Commission has previously approved similar surcharges for Chesapeake's Town of Frederica customers;¹ Town of Selbyville customers;² Town of Dagsboro customers;³ City of Lewes customers;⁴ City of Seaford customers;⁵ Town of Milton customers;⁶ Town of Georgetown customers;⁷ Town of Millsboro customers;⁸ and

See Order No. 8697 (January 6, 2015).

² See Order No. 8195 (August 7, 2012).

See Order No. 8070 (November 8, 2011).

⁴ See Order No. 8071 (November 8, 2011).

⁵ See Order No. 7519 (January 29, 2009).

See Order No. 7520 (January 29, 2009).

⁷ See Order No. 7118 (January 23, 2007).

⁸ See Order No. 7119 (January 23, 2007).

City of Milford customers,⁹ with all such surcharges arising from similar franchise fees imposed by those jurisdictions;¹⁰ and

WHEREAS, having reviewed the record evidence in this proceeding, the Commission concludes that it is appropriate, in this circumstance, for the TSFF Surcharge to be passed through to Chesapeake's customers who are within the Town of Smyrna's jurisdiction, provided, however, that Chesapeake may not treat the TSFF Surcharge as a general expense of the company;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NO FEWER THAN THREE COMMISSIONERS:**

1. The Commission hereby approves Chesapeake's TSFF Surcharge and related tariff changes. Such TSFF Surcharge shall be calculated at \$0.0181 per Ccf of gas delivered to all firm and interruptible Delivery Service customers of Chesapeake within the limits of the Town of Smyrna (excluding those customers from whom Chesapeake is prohibited by law from collecting said fees) and shall be effective for bills rendered on or after June 3, 2015. Chesapeake is directed to file with the Commission within five business days of the date of this Order revised tariff leaves to reflect the approval of the TSFF Surcharge.

2. . By approving this surcharge in this docket, the Commission makes no conclusion whether, and to what extent, towns and municipalities may impose franchise fees, and the Commission continues to reserve the power to revisit the appropriate

⁹ See Order No. 6360 (Feb. 10, 2004).

¹⁰ The Commission has also permitted Delmarva Power & Light Company to charge its customers in the City of Wilmington a surcharge rider to collect the public utility tax imposed by that City. See Order No. 6266 (September 9, 2003).

ratemaking treatment arising from this and other municipal franchise fees imposed on Chesapeake and other regulated public utilities.

3. Chesapeake shall identify as a separate line item on its billings to its customers within the Town of Smyrna such TSFF Surcharge. Chesapeake may not treat this TSFF surcharge as a general expense of the company and may not impose in any way such surcharge on the other ratepayers of Chesapeake who do not reside within the jurisdiction of the Town of Smyrna.

4. The Commission reserves the jurisdiction and authority to enter such other or further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION :

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST :

Secretary

EXHIBIT "A"

CHESAPEAKE UTILITIES CORPORATION'S
RATE SCHEDULE "TSFF"
FOR THE TOWN OF SMYRNA FRANCHISE FEE RIDER
(~~R~~EDLINED AND CLEAN VERSIONS)

Exhibit "A"

P.S.C. Del. No.4
Chesapeake Utilities Corporation
47
Delaware Division

Second First Revised Sheet No.

RATE SCHEDULE "TSFF"

TOWN OF SMYRNA FRANCHISE FEE RIDER

PURPOSE

The purpose of this rider is to recover the Town of Smyrna franchise fee, from all customers within the limits of the Town of Smyrna in accordance with the Franchise Agreement between the Company and the Town of Smyrna. This franchise fee will be in effect until December 31, 2029.

APPLICABILITY

The Town of Smyrna Franchise Fee Rider will be applicable to all firm and interruptible Delivery Service customers within the limits of the Town of Smyrna.

RATE

The rate applicable to all Delivery Service throughput is \$.0181 per Ccf.

Issue Date: April 17, 2015 September 2, 2008

Effective Date: For Bills Rendered on and after September 3, 2008

Authorization: Order No. 7434 dated September 2, 2008 in PSC Docket No. 07 186

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